

SPEECH

OF

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MR. DAVIS, OF MASSACHUSETTS,

UPON THE

BILL REPORTED BY THE COMMITTEE OF FINANCE,

AND COMMONLY CALLED

THE SUB-TREASURY BILL.

Delivered in the Senate of the United States on the 28th of February and 1st of March, 1838.

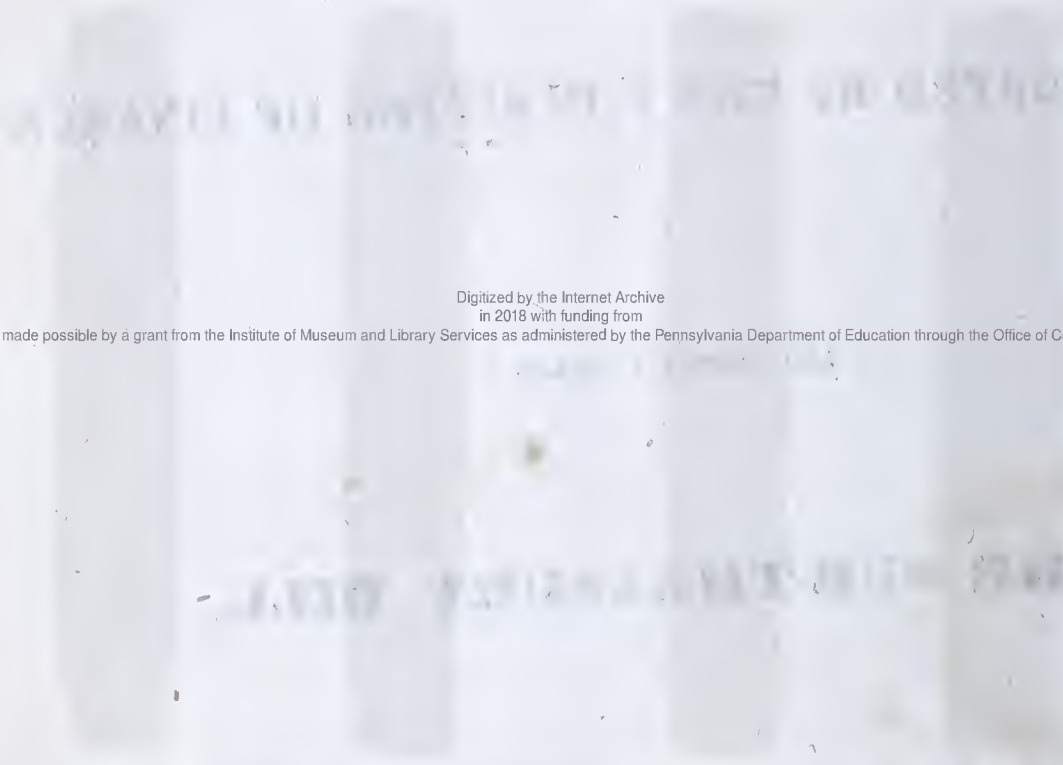
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SPEECH.

MR. DAVIS said, that finding no gentleman willing to take the floor, he would venture to occupy the attention of the senate, though he had hoped first to hear from the distinguished senators from Tennessee, (Mr. Grundy,) and Pennsylvania, (Mr. Buchanan,) who had recently announced their purpose of voting against the bill, in obedience to legislative instructions. They were instructed to oppose the measure, and a hearty opposition implied, especially in regard to those gentlemen, something more than recording a vote among the nays; they had yielded to instructions against their own sentiments, and he was anxious to see them employ their talents in argument, as well as to give their votes, agreeably to the opinions of their respective legislatures. If voting in opposition to the convictions of the mind is manifesting a becoming obedience, then enforcing that vote by argument, sustaining the opinions of those giving the instructions, though it may be opposed to all the convictions of the mind, is a higher proof of respect for instructions. He thought, indeed, that if Tennessee and Pennsylvania had a right to the votes—they had a higher right to have their sentiments, enforced by the learning and eloquence of the two senators; and he regretted to hear the member from Pennsylvania say his lips were sealed. He hoped that opinion would be revised, and we should yet hear an argument from him, for the State had a right to all his exertions in her behalf. If they yielded obedience, their obedience should be unqualified.

Mr. Davis then said he was about to enter into the debate with unaffected reluctance, for the country had been long agitated, credit was prostrate, confidence greatly shaken, business suspended, bankruptcy had been stalking through the land, laborers thrown out of employ, and public distress and embarrassment had drawn to its aid the most searching and powerful minds in and out of this house. The subject had been greatly discussed; the principal topics had become very familiar, and it might justly be considered presumptuous in one, even of higher pretension and greater research than himself, to hope to engage the attention of the senate or of the country. He would attempt it though he could promise little that would be instructive.

The inquiry, said he, which fills every mind is, what is the cause of this extraordinary state of things?

Some have the hardihood in the press, and even here, to call it a panic, and to assert that it is manufactured, as if the public were feigning distress to make an exhibition of itself; and as if the government itself, which with all its resources, can scarcely move forward, was playing antics to amuse itself. Let those who live in ease and luxury, reposing themselves on couches, and feeding on taxes wrung from the people to fill the treasury, jest at the hunger and nakedness of those who have been thrown out of employment. They may delude themselves, but the time for this kind of imposition on others has passed away. If the voice of the people has not clearly been heard by such heartless beings, it will reach them in tones that will start them from their re-

pose, unless they sleep the sleep of death. Those who ridicule public distress will soon cease their untimely jesting, for the people are coming to their own rescue.

Sir, dismay and despondency do pervade the country, and you cannot shut your eyes against a truth so palpable.

Divine providence has been propitious—the seasons have been returned upon us—the earth, though sometimes more prolific, has yielded a great abundance—industry and enterprize have been untiring—labor has, in its thousands of ways, filled the country with productions, as has been proved by the high price of wages; and yet in the midst of apparent plenty, many are suffering with pinching want, and the country, with the flush of health upon the cheek, is sick at heart.

We have many singular proofs of an extraordinary state of things. We know the United States has turned out of its employment the laborers at several of the navy yards, and suspended the work upon some of the public ships, because we have seen in this chamber, morning after morning, the petitions of those laborers, praying to be restored to the occupations from which they have been suddenly dismissed, in this inclement season. Yes sir, the very defences of the country are suspended, the regular annual increase of the navy, provided for by law, is interrupted. The Department wring, and twist, and turn, and shift, to maintain any thing like a decent credit. The revenues are collected in specie, and yet depreciated paper is paid out to creditors. From the Secretary's statement, in a late document, I understand that of \$220,000, provided for the late quarterly payment of debenture certificates, pensions, and fishing bounties, at Boston, only \$16,000 was in specie. Ten millions were authorized to be borrowed at the last session, and yet this giant with all its credit, its surplus revenue, and its vast resources, can scarcely struggle on even by dismissing the laborers from its employ. If the government is thus entangled in its own meshes, if it is thus paralysed by the times, what must be the condition of individuals who have no power to resist the tempest which has swept over the country?

We may well then, inquire what is the cause of this state of things? Where rest the responsibility?

The Executive affirms that a deranged currency is the cause. The extra session was summoned on that account. The message assigns that as the reason, and proposes a remedy for it.

The people also affirm that it is a deranged currency.

The currency is then the seat of the disease. In this all agree.

But the Executive affirms that the people have deranged it by speculation, overtrading, and gambling, as gentlemen are pleased to term rash speculation.

The people reply that the whole responsibility rests on the administration. I found eight years ago a good currency; undertook to make it better; managed things in its own way, using the whole political power as it pleased, and this is the better fruits of its fatal experiments. It sowed the wind, and we are now reaping the whirlwind. If it had forbore to regulate, and had left things as it found them, the country would now be in a palmy state of prosperity.

As one of the people, I go with them in the issue they make; I hold the administration to its just responsibility; it must answer for its acts; it must not be allowed to escape from censure by shifting the reproach upon those who hold no power and have no means of winding toils round the country. Things were well; this no one denies; the administration undertook to make them better; they were in its hands, managed by it, and have come to what they are. The administration alone would seem to be responsible.

To understand the means which have been employed to derange the currency, must, at the hazard of being tedious, recapitulate some of the leading events of the last nine years; for the policy which has produced the present crisis cannot be well understood without this retrospection.

In 1829 General Jackson was inaugurated; the bank of the United States then collected and disbursed the revenues of the country; they were placed in its custody by law, and could only be drawn out by law; it was an agent, therefore, not dependent

on the President for its power for authority, but independent of him, as it should be, and dependent on law.

A state of things then existed which was satisfactory to all; none complained; the circulation of that bank, and all others, was convertible at pleasure into specie; no person was obliged to receive any thing but specie, and if any one took paper it was because he was satisfied so to do, for his choice lay before him. This was a state of things which one would think could not be greatly improved. Indeed, to compel a man, by law, to take specie when he prefers paper is abridging his liberty. Can my condition be improved by denying me the right of choice?

The exchanges were also on a footing entirely satisfactory. That paper which is used to pay off the balances between two places, as London and New York, or Boston and New Orleans, generally passes under the name of exchange. If good paper, payable in Boston, may be purchased in New Orleans at one-fourth of one per cent., and paper, payable in New Orleans, may be bought in Boston at the same, or any other certain rate, then all persons know how to deal in the trade between those places, for they know how debts can be paid; the medium is thus certain. The Bank of the United States, as it collected and disbursed the revenue, was able to afford business exchange to a great amount, which was seldom sold for a greater premium than one-half of one per cent. This was, perhaps, as low or lower than it is afforded in any country on the earth of equal extent. The amount of it was this, if a merchant or manufacturer, in Boston, owed ten thousand dollars in New Orleans, the bank remitted his funds for him at that, or perhaps, a less rate of premium. Then trade was active; no embarrassment felt, no change desired.

Now, almost all business is suspended, for precisely the opposite reason: the rate of exchange is uncertain, fluctuating greatly; men know not on what terms to buy or sell, because the value of the medium of payment is uncertain; if a purchase is made on the supposition that exchange will be one per cent., and it turns out to be twenty, then the difference is disastrous.

Much has been said of the conduct of the bank and of its intermeddling with politics. I am neither its accuser or its vindicator, but shall speak of some matters connected with it, which mostly belong to political history, and are mostly verified by public documents. For one, sir, I had never heard of the bank interfering, in any manner with politics, or making any question, in regard to them, till an attempt was made by the partisans of the administration to thrust out of office the president of the New Hampshire branch. These partisans had early turned their eyes upon the revenues of the government, and lamented the want of power, which the possession and political use of the money would bring with it. The control of it was, therefore, directly aimed at, by superceding the bank officers by partisans of the administration, who would work this money for their own and the benefit of the party. Application was made to the Secretary of the Treasury to procure the removal of this branch president. Now, sir, the secretary had no more right or authority to interfere in this matter than any other individual; but he did, and the papers are all before the public.

The answer of the bank to the charges and demands generally was, that it was a business institution and did not interfere with politics; that it did not select individuals for its service because of their political opinions, but for their integrity and capacity to discharge the duties assigned to them; that whenever any of its officers were unfaithful, unjust, or negligent, they would be removed without hesitation, and charges of misconduct would, at all times, be carefully examined. While it gave every assurance of a punctilious discharge of all its obligations and duties, it disclaimed politics, as in no respect belonging to, or influencing the institution.

This was the exact ground on which it should stand. It was not created for party, but for the country; not for the administration but for the people. But the conclusion of the bank, that it had a right to think and to speak on this subject, and above all, not to think as the President thought, and not to speak as he spoke, proved to be rash and presumptuous, and it was made soon to feel the folly of such independence, for the decree went forth that it was to be pursued with a relentless spirit of vengeance

till it ceased to exist, and no one can doubt that this decree has been faithfully executed. It was first found to be unconstitutional ; next an unsafe place for the public money ; next a monster, threatening the existence of this government, and menacing the liberties of the country. It was soon discovered that the public necessities for an uniform currency, to sustain trade, could be satisfied by a government bank, founded on the revenues of the country.

Here we have, for the first time, an institution shadowed forth to take the place of the Bank of the United States, and, as I shall, by and by, attempt to show, designed to hold control, not only over the currency, but the business of the people.

But the people, even the friends of the President, looked with great distrust and jealousy upon such a monied power allied to that of the Executive. They had been urged by the President and his friends to believe the Bank of the United States alone, unaided by any civil authority, was dangerous to public liberty, corrupting in its character, threatening mischief to the country, and ought, for that reason, to be discontinued and they believed if the bank alone, a mere corporation, ought to excite apprehension because money beget dangerous power, it was an hundred fold more to be feared in union with the executive authority. The scheme, therefore, obtained little favor though recommended by the president in four of his official messages.

The president had openly avowed himself hostile to all other banking institutions. But this scheme of a government bank excited popular disgust ; the people were not prepared to add thus to the power and strength of the executive. The president therefore, knowing full well that the people would never be satisfied without a business medium, was forced, by the power of public sentiment, either to cease his hostility against the United States Bank, or to offer a more acceptable substitute. Thus pressed upon an alternative, he laid hold of the pet bank system, as it has generally been called, and presented that as a substitute. We all know with what violence the United States Bank was pursued ; what means were employed to excite popular indignation and disgust ; that committee after committee was appointed to expose the alleged frauds and corruptions of the institution ; that spies, and pliant enemies of all sorts, and from all quarters, were led to understand that any testimony implicating it was highly acceptable, and those who did furnish it were rewarded for it, even where it was done under the moral degradation of perjury. Yet, under this extraordinary stimulus, applied to selfish, malignant or ambitious minds, what proofs were obtained ? Such, sir, was the public confidence in the solidity of the institutions, and the integrity with which its concerns were conducted, that public confidence was no where for a moment shaken in its circulation. The president's official opinion, under the weight of his popular name, sustained by the report of his secretary of the treasury, that was an unsafe place of deposit, did not, for a moment, disturb the circulation of the bills. Even now that its charter has expired, and it has ceased to do business, its bills are more largely sought after than any others, yet it was

— a monster of such hideous mein,
That to be hated needs but to be seen.

In a word, it was pursued with unfaltering zeal till it expired by its own limitation. It refused to be prostituted to political purposes, and perished. And I think there is little hazard in predicting, that if other banks should be created, this is the last that will resist the usurping control of executive power ; for the money making spirit is servile, yielding, pliant, and this is a marked exception of manly resistance.

During the progress of this controversy the president and his friends knew well that an uniform currency was indispensable to the people ; he and they knew equally well, that we owed the uniformity, which existed, to this bank, and that the people would never be satisfied to abandon a good currency for one certainly bad. The administration, therefore, contended that they could furnish through the State banks, not only a uniform currency, but a better than we had, aye, one better than gold and silver. Yes sir, it was compelled to delude the people before they could be made victims.

This policy having been resolved upon by the president, he, by his own authority in 1833, removed the public money from the United States Bank to such State banks

as he saw fit to select, most of them being under the direction of his friends and partisans, or persons willing to become so through the inordinate love of filthy lucre.

This was the first admonition, which the people had, that the experiment of employing State banks as depositories was again to be tried.

But the administration were warned that the fate of this policy might be read in the history of the country. That history informed us, that in 1811 the congress refused to renew the charter of the first bank of the United States on the very ground that the State banks could meet the public exigencies; that the same confidence in State banks then existed that is now professed; that the recharter, under that delusion, was denied. The experiment of State banks was tried, and what was the result? The transfer of the deposits and the extinction of the old bank excited a spirit of rivalry in banking; new banks were rapidly created; trade in the end was excited; paper in great quantities issued upon false capital; specie payments were soon suspended; property rose in value; speculation ensued, and at last came the crisis, which was followed by the irretrievable bankruptcy of a great number of individuals, a ruinous decline of property and a paralysis of business.

The policy thus proved abortive. It was, however, begun on the eve of a war, was maintained through it, and did not reach a period of regular business till the close of hostilities. The circumstances were, therefore, widely different from those of the last five years, but the causes of failure were not in these circumstances, but in the plan itself.

Many distinguished statesmen, therefore, who had opposed the recharter in 1811, were so fully convinced of their error, that they became the leading advocates of a new bank in 1816. It might be said in truth that the republican party went in a body for it.

They were satisfied that the State banks could never afford a uniform currency; they owed their existence to as many bank making powers as there were States; each granting charters upon such conditions, restrictions, and liabilities, as it thought proper; but there was no common motive of action, no common bond of interest or union, no concert of policy, no head to guide them. It was evidently only a fair weather system, which could not abide a period of pecuniary pressure and distress. The moment danger approached, it was found that each set of banks was for withdrawing within their own sphere, and watching others with jealousy and distrust, and that mutual confidence, aid and support, without a mutual interest, were out of the question. It was, therefore, considered as demonstrated, that a uniform currency could not be attained in this way, for the bills of New Orleans would be at a discount in New York, and so vice versa. The new bank was, therefore, chartered. The pressure, which is necessarily incident to a resumption of specie payments, followed, and there was some mismanagement of the bank in the outset, but it on the whole met and satisfied the expectation of all who were anxious for a convenient medium of business and a vigorous prosperity. It gave, as we all know, a uniform circulation; its bills were every where at par. It also expelled from circulation the spurious paper of other banks, not by its power, but by presenting to the people a choice of good or bad paper; this is the great and effective power of regulation, which such a bank holds over rotten institutions. The necessity for taking their paper ceases, and they perish. A vast number of banks vanished under this process, and have not been heard of since. The great mystery of regulation consisted simply in a preference for good money by those who use it. It sent out nothing but paper redeemable with specie at sight. Wherever, therefore, there was a depreciated currency it at once supplanted it, and thus compelled all banks to close their concerns or to pay specie.

From all this the administration was entreated to learn wisdom; to profit by the lessons of experience, but they shut their eyes; all turned a deaf ear towards it.

They pursued their own wayward policy, resolving to scourge the people again with calamities from which they had escaped twenty years before, and we shall see, in the sequel, what were the probable motives which urged them on against the lights of experience.

The experiment was, therefore, renewed upon a more extended country; a greater number of states; a more numerous people; a broader trade; an enlarged capital; a most extraordinary excess of revenue, and in a time of profound peace and high prosperity. A combination of circumstances as favorable to success or failure, according to the manner of using them, as could be united, if a period had been deliberately chosen. Every thing was, therefore, necessarily to depend on the manner in which the deposits and public business were managed. Affairs were so conducted that the prophecies were soon verified by history, as you shall see.

We learn, Mr. President, from document 65 of the house of representatives, 24th congress, that in 1830 the number of banks and branches was 330; in 1836, 823. the capital, one hundred and forty-five millions; in 1836 three hundred and seventy-eight millions. Loans in the same time rose from two hundred millions to four hundred and fifty-seven millions; circulation from sixty-one millions to one hundred and forty millions. Trade was greatly excited, and the extent of paper issues is shewn by the increase of circulation. The boldest prophet, in his most extravagant apprehensions of the future, has not pictured to himself a scene so extraordinary as the policy of the administration created. Property rose in value, and the mania of speculation seized the impetuous, and the whole country was in a state of feverish excitement.

The deluded friends of the administration, who did not penetrate the policy, or comprehend coming events, mistook these throes of disease for proofs of vigorous health. They praised the experiment; declared we had attained to the better currency, and that exchanges were on a more favorable footing than formerly. There was not a word of truth in all this. Instead of less paper we had got more; instead of domestic exchange at one-fourth of one per cent., in many places it was four or five. Of gold and silver we saw nothing and heard nothing except in the press.

But, sir, at length the crisis came, and the country was struck down to the earth, where it now lies prostrate at the feet of the administration. We had, in the outset, a currency of specie, and a circulation of bills equal to specie; now we have nothing but depreciated paper.

Thus fell the state banks, and thus have vanished the golden visions which have been cherished in deluded imaginations.

This, sir, brings us to an important point in the history of this policy. Did the president mean they should fall? He had reiterated to congress and the country that he was for a government bank, and an enemy to all others.

Did he ever lose sight of this policy? Were the state banks substituted for it in good faith, or as a temporary expedient to aid in attaining the ultimate object?

The history of events throws much light on this point.

After four distinct official communications of his scheme to the public, he saw there was no hope of exciting any feeling in its favor. It, therefore, became necessary to abandon it, or to resort to some other plan of introducing it; the latter branch of the alternative was seized, and now let us see what was done.

In 1833, at an unexpected moment, and by the strong arm of the president, the public money, in violation of law, was taken from the Bank of the United States and placed mostly in partisan banks of his own selection, and upon his own terms and conditions? Why was this money removed? Was the bank unsafe? His own agent, (Mr. Toland,) appointed by him to examine and report upon that matter, declared, in his report, that the resources of the bank were most ample, and as it could meet promptly all its liabilities, it must be deemed safe. In further proof of this, when it closed its concerns, it paid the United States one hundred and fifteen dollars, or thereabouts, for every hundred dollars of stock owned by the public. Had it neglected or omitted any of its duties imposed by law? No charge of delinquency was ever, to my knowledge, made, and the removal was not justified on any such ground; it had faithfully collected and disbursed the public money.

There was then, in 1833, no reason why the money should be transferred, that had not existed at all times antecedent. There was no occasion for precipitancy, none

for moving without the sanction of congress. There was no charge of neglect; no refusal to obey the laws; no detention of the revenues when needed for public use. But, sir, he rejected all circuitous paths; all mutual council; all injunctions of law, and came at once to the matter. His secretary was ordered to make the removal; he refused, seeing no cause for such a step, and believing it illegal. He was at once hurried from his office, and one of more congenial and pliant sentiments employed to do the work.

The president and his advisers had seen the experiment from 1812 to 1816, and knew the result; could not they as well as others comprehend that like causes produce like effects? Could not they foresee what might be done by working these funds in the state banks at their discretion? They knew it placed the monied power of the country in the hands of the executive, where it might be worked for good or evil. The banks might be strengthened or weakened at pleasure; business might be expanded or contracted, and nothing was easier with this power than to throw the currency into utter confusion, and the country into deplorable distress. It was plainly a lever in the hands of the executive with which he could move the whole country.

The removal was made by the executive, at his own chosen moment; in his own way; and these funds have been managed at his own discretion. The result is, that the pets, from being strong, have become feeble; from paying specie they pay none. Business was active and prosperous; now it is prostrate with embarrassments from which it cannot disengage itself.

Mr. President, the executive not only commenced this policy at his own time and in his own way, but he has, throughout, kept it in his own hands, and worked it at his own pleasure.

We all know that a plausible front was kept upon the pet bank arrangement at first. The people were assured by the press that it would succeed.

At length, in 1836, the Bank of the United States obtained a charter from Pennsylvania, and became a state bank, with a capital of thirty-five millions. We all know how unwelcome this intelligence was to the president; what threats and denunciations it called forth; what bitter hostility was every where, by him and his friends, manifested. We know also, that measures were taken to imbue with this feeling the state legislatures, and to prompt them to make laws inhibiting all agencies of this new bank within their respective territories. Were the president and his friends alarmed lest, with the aid of this great bank, the pet system would succeed, or that with this mammoth at their head he would find it less easy to prostrate state banks?

It is not for me, sir, to speak of motives beyond what is justified by public and official acts. These are all proper matters for our consideration, and we have a right to scrutinize the motives in which they originate.

In 1836, congress adjourned on the 4th of July, after holding a session of seven months and giving the president the most ample opportunity to seek their aid in ending the currency, if he desired it. During all this period he kept silent upon the matter, but on the 12th of the same month, eight days after the adjournment, he issued the celebrated treasury order to be issued, commanding the receivers of the revenue from public lands to take nothing but specie.

What was this for? To aid the banks? Or to overthrow the banks, and thus clear way for a government bank? Let public documents answer this question. Among the reasons assigned in that brief order for so extraordinary a measure is this: "*to discourage the ruinous extension of bank issues and* BANK CREDITS." This order is introduced into the official newspaper, with some two or three columns of preface, headed with Roman Capitals, in this language: "Prevention of fraudulent speculation, the conversion of the public domain into paper" The order is appended to this manifesto as to a preface, which professes to speak the president's sentiments, to explain his motives, and to spread before the public his justification for the measure. It says, among other things, that the *public revenue is paid in certificates of deposit; orders of credit; land office money; bank facilities—any thing but real money.* It asserts, also, that specie is abundant, having doubled in quantity since the deposits.

were removed, and adds, *it is time to come to specie payments, for the currency will be radically and beneficially improved by it; and incarcerated millions in the Atlantic banks will emigrate to the interior.* These are found among the reasons assigned; and can they be misunderstood or misinterpreted? Ruinous bank issues and ruinous bank credits are to be restrained. We were to cease to receive land office money and bank facilities. I know not what sort of money that is, but we all do know that it was passed to the credit of the United States, in the depositories, as specie, or it could not have been received by law. It was paper, convertible at sight, under whatever name it passed, and must have been received as such.

But the president felt himself authorized to check the sales of public land, though the country was realizing the price established by law for them. The remedy for correcting bank issues and bank credits, and diminishing the revenue was, to come to specie payments. This would draw the specie from the Atlantic banks and transfer it into the land offices of the west.

Could a more deadly blow be aimed at the banks, and through them at the business of the country? Banks give credit only, and whatever touches credit touches the business of the people. Banks loan out the capital of individuals invested in their business. When, therefore, you propose to deny to banks the right to loan, or by indirect means to restrain them, the blow falls not on the banks alone, but on business. It is an indirect mode of diminishing business, for banks have nothing except what is owed to them by the people, and this is the aliment on which business is nourished.

Those who purchased or entered public land immediately collected the western bills and drew the money out of the banks there. This occasioned such a run upon them for specie that they soon nearly ceased to discount their paper. Specie was next drawn from the Atlantic banks and employed in the same way. The effect then was to shut up the banks of the west, and embarrass the banks of the east. The pernicious and ruinous effect upon business cannot be forgotten by anyone. It was cut down and most materially diminished in both sections of the country. The measure was condemned as rash, injurious, uncalled for, and a cruel unlawful blow at business from one end of the country to the other. The people now began to learn that the president holds power and influence which enables him to prostrate their business, and trample them under foot at pleasure.

Congress assembled in December following. The president was assured that the public considered the order as odious, but no entreaty could induce him to relax his gripe; power was dearer and nearer to his heart than mercy.

A bill, introduced to rescind the measure, passed the senate with but one dissenting voice, and the house with almost like unanimity. With these proofs of public feeling and sentiment it went to the president for his signature. But it reached him on some of the last days of the session, and the session itself expired before the president expired during which he is authorized by the constitution to retain a bill before he signs or returns it. He knew that if he returned it without his signature it would become a law by a vote of two-thirds of each house. Regardless, therefore, of public suffering and public sentiment, the president, as his last official act, seized this accidental circumstance to make the people feel his power by defeating the bill, leaving his odious order in force. Thus ended the career of General Jackson, pursuing his favorite scheme of establishing a government bank.

His successor took his seat, and his friends felt assured that, under the pressure of public opinion, whatever might have been his previous sentiments, he would yield to the popular will, and revoke the order. So sure, sir, were they, that they considered the thing as certain as if it were done. What then was their surprise when they found him, instead of yielding to popular sentiment, resisting it as pertinaciously as his predecessor? If public rumor is not in error he is the parent of the plan. He had felt the power and influence which the management of the banks and finance of New York imparted to his party, and might not his ambition whisper, if that could invigorate a party, what strength might not be anticipated from the vast revenue of the United States under the sole control of the president, with the banking ins-

tions at his feet? Whatever might have been his reasoning or his motives, he trod in the footsteps of his predecessor.

The order was left to do its fatal work, while the secretary of the treasury managed, at his own pleasure, the public money to weaken or strengthen banks, as best suited his purposes; and, sir, we know the conjoint action made a clear sweep both of banks and business. If a tempest had passed over the country it could not more effectually have prostrated and mingled in one mass of ruin the property and hopes of the people. This was precisely what had been predicted. The administration were admonished of it at every step; they were entreated to spare the country the inevitable misery which such a policy must inflict upon it; but all argument, all entreaty was vain. The right to control bank issues and bank credits; to diminish business by taking from the people the means of doing it; to put down banks, by affecting to put up specie, was persisted in. The results are before us. The bankruptcy, the suffering and agonized distress of the people bear testimony to the fearful power of the president, and his tyrannical exercise of it.

Now, sir, I have intimated that, in adopting the pet bank system, there lay concealed a subtle plan which was eventually to build up a government bank on the ruins of the state banks. Nothing is plainer than that the administration knew that the treasury order, and the policy pursued, was fatal to the state banks. The avowed design was to come to specie payments in opposition to banking. What was the state of feeling when, in the career of specie payments, we reached a point where specie ceased to be a medium? Did they mourn at the failure of the pet system? No, sir, not one word of solace; not one sentiment of commiseration was extended to the banks trained in their service; but even the secretary turns in contempt and scorn upon them, and exacts public commendation for condemning the ruin with which he, and those acting with him, have visited the country. It was all their policy, all their error, and yet they stand aside and censure it as if others were guilty.

Then came the extra session of congress, summoned by the president. His message has been given to the world. Is there one encouraging word in it to the state institutions? Does the president so much as intimate that presidential hostility shall cease if they will resume specie payments? Not only is the message cold and heartless, affording them no countenance to revive business, by a resumption, but they are to be esteemed as aliens, and the best they can expect is to be let alone; nay they have no assurance even of this. Those who were foremost in recommending them to public favor and sustaining them, are now loudest in their condemnation. Yes, sir, they claim merit for reprobating their own folly; for condemning the evils they have produced.

The president calls for a divorce from the institutions of the people, and seems to think the people have few rights or interests in this government except to pay taxes. He affirms, in opposition to all the late reports and messages, that the third trial of state banks has failed, and it cannot be worth while to repeat it; in a word, the state banks were thrown aside without a sigh for their fate; yes, sir, it is even worse than this.

The president recommends the passage of a bankrupt law in regard to banks. What would have been the probable effect of such a measure? To demolish every state bank in the United States, by winding up its concerns. Their assets would doubtless be seized for the stoppage of specie payments, placed in the hands of assignees, their doors closed, and their business brought to an end. This, then, was to be the finale. And was it not, Mr. President, a consummate piece of policy to sweep at once every state bank by the board to make way for this government bank.

Add to this the fact, stated by the president, that he deemed it to be his duty to direct the revenues to be paid in specie, when none could be had, and we shall have some idea of the thousands of ways in which executive power and oppression can assail us, and break down state institutions. His right to demand specie no one denies; every individual has the same right; every state has the same right. And yet, in this state of distress, the United States are the only relentless, inexorable creditor; they, alone, can yield nothing to the times; contribute nothing in mitigation of public suf-

fering. Sir, it was doubtless as much the duty of state functionaries to demand revenue in specie as it was that of the United States, and yet I have heard of no instance in which it has been exacted; nay, sir, not an individual, within my knowledge, has had the audacity to demand specie in payment of his claims. The law of humanity has reigned absolute, and, whether willingly or unwillingly, creditors have yielded to it with the exception of the United States alone. I mention this not because I am in any respect the advocate of an irredemable paper medium, but to show with what relentless zeal this policy has been pursued, and what efforts have been made to bow the people to it.

Having thus cleared away all obstacles by declaring the evils of any connection with state banks too great to be repeated, the president approaches cautiously his scheme of a government bank; not under that name—oh! no, sir, he is too sagacious for that, but under the pretence of keeping the public money in the treasury and in the hands of the office holders. It is called a specie business; but the secretary, while he glorifies gold, has not forgotten, in his report, to say that paper is very convenient; that private bills of exchange and certificates, not on interest, may be issued to public creditors without touching the debateable ground of a United States bank.

Here, then, comes the paper which is to work exchanges, and to circulate for the benefit of the commercial and trading community. Here is a mode of shunning constitutional objections, and yet giving a paper circulation, payable at the treasury and its offices. Is this the foundation of a bank? If not, why issue paper at all? The government has no occasion for it; it is solely for public accommodation. Sir, this beginning will grow and expand upon the necessities and distress of the country, in the absence of ordinary business facilities, till it draws under its control every other monied institution, and holds within its grasp the whole business of the country.

Now, sir, if the two presidents have not aimed at this institution, through the whole of this experiment, what has been their design? I desire him who undertakes to refute this, to tell me why the Bank of the United States was put down. Why the state banks were overturned? Why the specie order was issued? Why bank issues and bank credits were restrained? Why the president interfered with and embarrassed business? Why the friends of this policy rejoice at the prostration of the banks and business? Why they deny us every measure of relief but this? Why do they propose to give us paper at all? Why, against the whole popular sense, have they clung to measures which must produce exactly such results as we see before us. Sir, this policy has been pursued with an untiring and perfidious zeal, from step to step, till the way is now believed to be open for its consummation.

Indeed, sir, the senator from South Carolina (Mr. Calhoun) declares we have but one alternative; we must take this bill or the amendment of Mr. Rives, proposing to try again the the state banks. But one alternative! Does not the distinguished senator perceive that the administration, from the beginning, have aimed to make exactly this issue? Both presidents avowed themselves enemies of the Bank of United States the one vetoed a bill rechartering it, the other has put forth toasts, letters, and uncalled for documents, giving the public to understand that he will do the same. Therefore, says the senator, such a bank is out of the question.

Now, says the president, the state banks have been thrice tried and have failed. I cannot, therefore, consent to go for them. No matter even if the failure and discredit was brought about by his own unjust interference.

The government bank, therefore, is the only thing left. So reasons the president and so reasons the senator, and so the administration intended he should reason. He has fallen into the trap! He has come to an alternative which probably perplexes no one but himself.

And can we allow the president to forestall legislation? Will he allow him to make a case, enlarging his own power, and be forced to vote for it because the president will veto a wiser and better measure? Will he allow the president thus to make conditions, and then justify pernicious votes on the ground that the president had made

an alternative and would not recede from it? Forbid it, patriotism! Forbid it, public spirit!

If we could be thus influenced, we should be alike criminal with the president. We cannot thus compromise our duty. We cannot make such concessions. Our business is to make wise and necessary laws, and leave the president to sign or veto, upon his own responsibility. We are not to shelter him, or to consult his opinions.

Here the senate adjourned. The day following Mr. Davis resumed:

Mr. President, having presented to the senate, yesterday, some of the leading points of policy tending to shew that from the time it was ascertained that the Bank of the United States could not be worked as a political engine, the executive resolved to establish a government bank on the public revenue, and that this object has not been lost sight of to this day, I will not further recapitulate the evidence; but that I may not be misunderstood, or my views misapprehended, I shall, before proceeding further, state to the senate, that I have uniformly been decidedly opposed to excessive banking, and to all irredeemable paper. When, therefore, I contend that sound paper is indispensable to active and prosperous business, in a country like ours of great geographical extent, and filled with energy and enterprise, I am far from being satisfied that it is not unsafe and greatly injurious to permit excessive banking, or to authorize the reception, or to countenance, by law, the circulation of paper not redeemable at sight.

Mr. President, I ought, perhaps, in justice to myself, to say that early in 1834, before these questions of currency were agitated here, my opinions, which I am aware are of little value, were officially made known to the public. I then contended that it was desirable to draw into circulation more specie, but that it could not be done without displacing paper. It was, therefore, expedient to abolish small bills, and let specie take their place. This opinion I have had no occasion to change. Time and experience has confirmed it. Many of my friends also know that I was one among those who were anxious, when the Bank of the United States was before congress for recharter, to curtail all powers as much as possible, leaving it with the ability only to do the ordinary business of the country; for I readily concede that such an institution, with only the authority necessary to operate it, holds a power which may be exerted in an injurious manner. I was also desirous that its capital should be diminished, believing, myself, that a bank with less capital, which collected and disbursed the public revenue, would answer all reasonable purposes of regulating and rendering uniform the currency. I was of opinion that it was a necessary institution, but of a character that had much better be too weak than too strong; for it is easy to strengthen if necessary, while unnecessary powers only tempt those who may hold them to perpetrate abuses.

My wish, in regard to all banks, has been that they should, both as to numbers and capital, be limited within reasonable and prudent bounds; and that great caution and circumspection should be exercised, in granting them charters, to keep them open to inspection by public authority, and to compel them, at all times, to keep a greater quantity of specie than has been practiced for several years past; above all, to redeem their paper at sight. Circumscribed within suitable limits and under prudent restraints securing the public against imposition and spurious issues, I never have doubted that banking was highly useful to the public, nor, on the other hand, do I doubt it may be, has been, and is so conducted in many instances as to be highly pernicious. I deeply deplore the present state of the currency, and earnestly hope a return to specie payments may very soon occur. All we need, therefore, is wise and judicious regulation, and the question ought to be one of regulation not of overthrow. Politics poison banking wherever they mingle with it. The legitimate object of it is to aid business, not to strengthen power.

But, Mr. President, begging pardon for troubling the senate a moment about any thing appertaining to myself, I return to the subject in its connection with the policy pursued by the administration. I now propose to draw your attention more distinctly to the doctrine of an exclusive metallic currency, which the party for some time past

have advocated. The public has been led to believe it the sincere policy and honest purpose of the administration to establish metal in the place of paper.

Nobody in the country knows better than the late and present president, that an exclusive metallic currency could not be established without first suppressing the paper currency. They knew in the outset of this career as well as they now know, that specie and paper could form a joint circulation only where paper left open channels for specie to flow in. What space paper does not occupy specie will fill, and nothing beyond. Experience long ago settled the matter, that specie is used just so far as necessity requires and no farther. If there be no bills of less denomination than ten dollars, then specie is used in all matters below ten dollars; it fills that space in business. If, however, the bills descend to one dollar, then specie fills the vacuum of change only. The amount of specie, therefore, which will circulate depends, first upon the fact whether there is any paper, and next upon the denominations, and lastly upon the amount of paper; for good convertible paper, and I speak of no other, will always displace the metals. Nothing can be more manifest than this. In 1830 we were supposed to have forty-five millions of specie, but we saw none except to fill the spaces which bills had left open. In 1836 we were supposed to have eighty millions yet the same state of things existed; we saw no more in business. The introduction of this great addition made the truth neither stronger or more apparent.

What then were the motives of the administration, with this knowledge of the laws of circulation, in pretending to advocate an exclusive metallic currency? Both banks and an exclusive metallic currency could not live together, for if metals alone were used the banks must be suppressed. If they were sincere, therefore, their policy necessarily looked to the overthrow of the state banks; nothing short of this could accomplish their views. The war then did reach the state institutions, and their overthrow was meditated.

But the geographical extent of our country is great; its trade active; its people distinguished for commercial enterprise and activity. The metals are cumbrous; the transportation of them is attended with delay and great hazard. The specie capital, as shall shew, is inadequate to the business.

The administration, if fit for the places they occupy, knew all this, too, and they knew that sound convertible paper was indispensable, both to the convenience of business, and to maintain a uniform value in currency. They knew that a commercial people could never be satisfied without this facility. I say they knew it, because will not disparage their financial skill so much as to suppose them ignorant of such obvious truths.

With this knowledge, I again inquire, why did they set up the doctrine of specie circulation alone? Why did they set up the cry of all gold, and no rags? Why were gold and rags always arrayed against each other? Why always placed in such juxtaposition as to be seen together? Why was one made an object of strong desire, the other of disgust? Can the design be mistaken? No one can doubt it was to break down and demolish the state institutions, and the apparent object was to put in the place a metallic currency.

But, sir, I repeat that the administration knew that this could never meet the public necessities. They knew business could not go on, and they had a remedy for this, when the time should arrive. When the state banks were discredited; and when necessity was pressing, the pinch was to be relieved by this leviathan institution, a government bank.

I say they knew paper was indispensable. What, sir, is the office of paper? It is to discharge the balances between places that trade with each other. The ancient mode of doing business was to remit the specie, but this was attended with such delays, hazards, and expense, as to be a very great embarrassment to trade. Suppose, for example, that a merchant in Cincinnati owes in Boston five thousand dollars, and another person in Boston owes some one in Cincinnati five thousand dollars; without the aid of paper each of the debtors would be obliged to remit the specie. Now, s

it is the office of paper to pay each of these debts by the money already in each of these cities, and thus save the expense, inconvenience, and hazard of transportation. This easy and safe mode of doing business was supposed not only to save much to all interested, but so to facilitate trade as to enlarge its action, increase its amount, and send out in a thousand ways its fructifying streams without disturbing the circulating medium, by suddenly carrying out of the country a large quantity of its specie, as must otherwise often occur. I have, sir, to illustrate my views, given a single example, but you will perceive that it was not easy for a debtor in Amsterdam, owing in London, to know who in Amsterdam had debts due from London, but a remedy for this was soon discovered. With the demand for paper, therefore, came brokers' offices, where it was bought and sold in whatever form best suited convenience. These places were early known. We hear of the money changers in the Temple. These offices almost necessarily became the depositories of capital put there for speculation and trade in paper, which has always been bought and sold on the most profitable terms the brokers can command. These offices became proverbial for usury, for hard grinding bargains, and for thrift. A Jew broker or banker was the incarnation of money. Public banks succeeded to these private banks, which, corrupt as they too often were, were found more convenient and less burdensome than an exclusive metallic currency. And what are banks as we see them in the United States? Institutions created by law, responsible to law, existing upon such terms, conditions, and under such restraints as the creating power sees fit to impose. They are ordinarily open to public revision and inspection; restrained from taking usury; bound to provide visible and solid means for the redemption of their liabilities, and, in a word, are regulated with a sole view to render the public secure against abuses and impositions. They are permitted to issue paper which subserves the same general purposes, whether in the form of bank bills, bills of exchange, or checks.

This was deemed a great improvement, to escape from private irresponsible trading institutions where every thing is concealed, to open day, to institutions created by law, responsible to it and required to provide visible means to pay their debts.

Now suppose all banks and bank paper should be annihilated, shall we abandon paper? No sir, we shall necessarily go back to the brokers' cells to make the best bargain we can. The money now invested in bank stocks will retreat to these receptacles, and he who in New Orleans desires to pay a debt in Boston will find he can buy paper, though he pays a heavy premium for it, cheaper than he can remit specie. Paper will be the medium after all, but it will cost much more and be less safe, less satisfactory, and less acceptable, to all parties interested, than that which has been afforded by the Bank of the United States. You would, therefore, abandon institutions wholly under your control, and throw us back upon usurers. Sir, can any man be so insane as to prefer the overwhelming monopolizing power of such men as the Rothschilds or the Barings to the banks of this country, divided as they are into shares of one hundred dollars each, and open to every body? Yet this is the alternative upon which an exclusive metallic currency throws us. If business is done, money must be paid, and if there be no banks, it will, as all history and experience teaches, concentrate in such hands and be wielded with a power that is irresistible. Sir, some of these brokers are, in emergencies, the resources of great nations, and give direction to their destinies. Can the people be desirous of abandoning institutions created and regulated by themselves, to give place to such overshadowing power to grow up in individuals? No, sir, the true policy is to divide and distribute this money power, to create institutions with moderate means, and safe restraints, and they will be harmless for they cannot co-operate.

The idea, then, of dispensing with the use of paper, is absurd. It will never occur until business is suppressed; indeed the idea of an exclusive metallic currency and suppression of a large portion of the business of the country are identical. Establish the one and the other follows.

Sir, I can entertain no doubt that the administration knew all this. I will not so underrate the intelligence they ought to possess as to question it. Did they really

mean then to wage a war of extermination upon business by abolishing paper? They would, I think, be reluctant to confess this. Did they design to force us back into brokers' offices for accommodations and facilities, to build up Rothschilds and Barings in this country? They would, I think, hesitate to admit this. Where then have they been leading us? I will answer for them, as they may feel under a little restraint to develop matters just at this moment. They never intended the one or the other, but to create a state of things which should clear the way for an executive bank, which they hope will afford a safer, cheaper, and better paper, than brokers' offices. They cut down others to build up and strengthen themselves. Hence we have had the great golden humbug; hence boasted importations of specie which have been so encouraged, says the secretary of the treasury in his report at the last session, that the amount equals eighty millions. Yes, encouraged, nobody knows how, for that is a secret, but the government has solid favors to bestow and those who help on its policy are sagacious enough to discover the way to reach them.

These eighty millions have not circulated; all business men know this; but they have subserved one purpose, being forced in here not by the natural course of trade, but by premiums. They have built up, with the help of other circumstances, an unnecessary number of banks. Specie is, or ought to be, the basis of all such institutions. If it could not be procured, they could not be wrought into existence. What a helping hand thirty-five millions of dollars forced into the country must have afforded, in creating unnecessary banks, and in yielding aliment to speculation? Yet the importations have only subserved this purpose and that of misleading the public. I have not advanced us one step towards a specie circulation, but has brought us to a state where we can get none. If it was the purpose of the administration to give us a metallic currency, how abortive have been all their efforts. The Bank of the United States has been prostrated to make way for it. The state banks have been brought into discredit in aid of it. Yet, instead of specie, we have depreciated paper; for change, shin-plasters; for drafts, at 1-4 and 1-2 per cent, we have them at premiums all the way from three to fifteen per cent. We have then put down the banks and with them the currency, and substituted nothing that can be tolerated for a moment in the judgment of any one. Could this occur in an honest endeavor to establish specie? or is specie just where the authors of the policy knew it would be, locked up from the reach of the people?

Is it not all a stratagem, a scheme to mature and establish upon public necessity an executive bank? When all other paper and all means of obtaining it should be out of the way, and business fettered to the earth, has not the idea been entertained that executive paper would be acceptable, and that the people from their desperate condition would acquiesce in an executive bank? That in their distress they would forgo their liberties and lose their jealousy of executive power? If this be not the scope of the policy, and the administration have been sincere in their professions, then have they given proofs of imbecility and want of sagacity, or a disregard of the public interests, which merit the scorn and contempt of the people. Gold has been put forward in the front rank; paper denounced as rags and by a studied policy made little better. Banks have been execrated. The people have been exhorted to banish them. To none has a more urgent appeal been made than to the poor.

Now, sir, to all who have been deluded by this artful or preposterous policy, and especially to the poor, allow me to propose an inquiry or two.

If the banks and bank paper could be annihilated at your pleasure and no currency or circulation be left but the metals, would it be your pleasure to strike the banks and bank paper out of existence? If so would your condition be thereby benefitted? Would you be better fed, better clothed, better lodged or your children better educated? Would your liberties and privileges be enlarged? Would your wages or income be greater or less? We have but eighty millions of coin while we employ more than three hundred and fifty millions of capital to do our business. A small capital cannot do as much business as a large one. If business is diminished, will not wages and income be reduced? How then, in any view can you be more comfortable

ple, wiser or happier by the change? As you answer these questions for yourself so will the country answer, for it is made up of individuals.

But further, suppose there is a difference between the value of specie when we have with it a paper circulation, and when we have none. Who loses the difference which will be created by abolishing paper? Suppose that paper issues had, before the banks stopped specie payments, depreciated the dollar twenty per cent., and in this state of things we had suddenly returned to specie alone, it is obvious that on all outstanding debts there must be a sacrifice. For example, suppose I buy to-day one hundred dollars worth of goods valued by paper, which is redeemable in metal, and give my note for them; to-morrow all paper is abolished, whereby metal is worth twenty per cent more than before, and I have my goods which are worth but eighty dollars, but my note is unpaid, for which I must give one hundred dollars. I plainly lose twenty dollars. The debtor then sustains the loss; the tax falls on him; and so would be in all cases; the debtors would sustain the burden and the capitalists gain the benefits. The poor do not hold notes or bonds and could not hope to have their condition greatly improved by such a process, even if they owe nothing; but if they do, it is made positively worse.

But, sir, this administration has claimed much merit for its sympathy and paternal regard for the poor, and for its disregard, if not for its professed hostility to all others. There has been much miserable cant and vapouring declamation on this topic in the press, and the halls of this capitol have not been strangers to them; but, sir, I beg leave to put a plain inquiry, and hope it will be answered. What has this compassionate administration, which has such a loving affection for the poor, done for their benefit? What measure has it adopted to alleviate their situation? In what has their moral or physical condition been improved? Is there one act that has carried warmth to the poor man's heart? Is there one that can awaken a sentiment of gratitude? If so, show it. I know not of one. The language is, be ye fed and be ye clothed, but do it yourselves.

Now, sir, it has been the pleasure of the friends of the administration to reproach those opposed to it with being the haughty adversaries of the poor, and to claim much merit to themselves for fair professions: let us see how our acts compare with theirs.

The land bill which was brought forward by the senator from Kentucky (Mr. Clay) was an eminently beneficent measure. It provided for the distribution among the states of the revenue arising from the sale of public land, for the promotion of internal improvements and education. Its benevolent provisions reached all, but especially those who were unable to educate themselves. Its purpose was to expand the intellectual power with which God had blessed the poor; to cultivate the greatest of gifts and by the most effectual of all means to carry forward the poor child to that elevated and glorious destiny to which he may justly aspire among a free people. But this patriotic measure, promising thus to scatter blessings over the wide extent of this country, was vetoed by the late president. It was his pleasure and that of his friends, therefore, that the poor should educate themselves or remain ignorant, and that the states should continue to pay taxes while the public lands are squandered in political traffic.

The protective system is eminently the friend of the laborer. It created new employments; gave activity to business and created a demand for wages. But, sir, what do I hear from the friends of the administration but congratulations at its probable downfall; what but exultation at having a president in favor of the planting interest? Such were the sentiments uttered here by the senator from N. C. (Mr. Brown.) Sir, the very shops, mills and factories, in which the poor labor, are derided and denounced as monopolies. They are held up to public execration, and the hope has been again and again expressed, that we may cease to manufacture any thing. The laborers are viewed with jealousy, and why? Why are their employments monopolies? For no other reason than that they obtain higher wages than the degraded population of Europe. This spirit of jealousy and enmity cannot rest till it has brought them to

a level with the misery of that starving population. And this, sir, is the practical proof of sympathy felt for the poor.

Make them work cheap and you force them by an inexorable fate into poverty and obscurity forever.

Make them work cheap, did I say? They have no work. Your policy has left them in the cities and factories, as well as elsewhere, without bread. It has condemned them to famine; to pawn their bedding and their wearing apparel to obtain the means of feeding their hungry children. This, sir, is no fiction. Look at the papers and you may see the inventories of property thus sacrificed at half or a quarter of its value. There you may see how an oppressed family struggles with its necessities, stripping itself to satisfy the cravings of hunger. Your policy, sir, has driven the poor to madness, and this is the sympathy of this government for them. Now if they come here to tell you the story of the wrongs your policy has done them, they are coldly told by the president that they must not look to government for aid.

Sir, I think you may save yourselves the trouble of fighting down the banks for the benefit of the poor, till you can prove that they will be in some way improved by it.

They demand the bread which you have taken from them instead of your sympathy—their employments which you have taken away, instead of golden promises.

The poor, sir, have power. They are as strong as the mightiest at the ballot box. This career of deception will end. They will cease to be your dupes, and will hold you accountable for false promises and false doctrines.

Having shown, as it appears to me, that the administration could never have seriously thought of maintaining an exclusive metallic currency, in this country, as it would be wholly inadequate to the public exigencies, and having shown, that the cry of gold, gold, has been run against the banks to discredit them, I am constrained although I hear it declared here that there is no desire to circumscribe the action of the state banks, to come to the conclusion, that the ultimate object is not metal, but government paper. This is the only way in which I can reconcile the policy, unless I impute to the administration an intellectual imbecility which fails to comprehend the plainest principles.

I will now notice another false banner hung upon the wall to conceal the results of a vicious policy. When the treasury order was issued, and since the great crisis in monetary affairs has reached us, overtrading and speculation have been charged with all the mischief which has befallen the country. There has no doubt been rash speculation, but the primary cause lies in the policy of the administration, in the boasted attempt to make the currency better. The president in his message at the last session, admits what is obviously true, that the removal of the deposits excite rash trade. We all know, that such a state of things does not spring up without cause. Without, therefore, entering more into that investigation, I must be permitted to inquire from whence came this rise of property which is the immediate parent of speculation? If it was not generated by the change in monetary affairs then tell me by what other means trade was excited?—The expansion sprung from an attempt to supply the place of the Bank of the United States by other banks. In this attempt there was a manifest rivalry among states to concentrate capital which should attract and control trade. But this disturbing cause which probably did lead to excess, grew out of the public policy entirely.

But, sir, those who contend, that overtrading has done all the mischief, impute to it a greater influence than they are probably aware of; what must it have accomplished?

It must have brought all the banks down, and so paralyzed them as to derange the business and suspend specie payments. Its effect upon the sound and unsound has been alike disastrous. The prudent and wary; those which have no bad debts and the most ample resources have been alike crushed under the pressure of the times.

It must have also suspended business, bringing to a stand the operations of the cautious, the wise, and the prudent, as well as those of the rash and headlong.

It must have embarrassed this government itself, for it is obliged, with an overflow

ng treasury, to withhold the fourth deposit from the states of nine millions of dollars, and to borrow in addition, ten millions. It has been compelled to dismiss the laborers in its employ, and can scarcely at this moment maintain a decent credit.

It must have vitiated and deranged the whole currency of the country to a degree unexampled.

Such are the singular effects imputed to overtrading. Now, sir, does any one believe overtrading an adequate cause to produce such general and extensive results, affecting the whole country and the whole population?

How can my buying or selling too much derange a bank with which I have no concern, direct or indirect? How can my failure frustrate a voyage of which I know nothing? How can it stop a mill of which I never heard? And above all, how can it derange the affairs of this government? How can it compel the United States to borrow money or to dismiss their laborers? or to suspend work on the public ships?

Overtrading, as we all understand the term, is no new matter. It always comes in greater or less degree with an advance upon the value of property. Bankruptcies always follow in its train. The affairs of individuals and those with whom they have connexion become involved, but who ever heard of its paralyzing a great and powerful government? Of its pervading the affairs of all classes? Of its confounding the prudent with the rash? Of its bowing down to the earth an entire people? Such a cause, though it may exist, can produce no such effect.

But, sir, we not only hear of overtrading as an evil, but as one that must be corrected by this government, and much encomium has been lavished upon the arbitrary treasury order of the late president, because its tendency was supposed to have that effect. The avowed object of that order was to suppress credits. We are to come to specie payments, as the manifesto avered, for that identical purpose—a suppression of credits, and specie payments, and a diminution of business, were held substantially identical. If credits could be diminished, as they would be if specie alone were the circulating medium, then business would necessarily be diminished. The proposition, therefore, to suppress credits was designed to curtail business, and specie payments were to be used for that purpose. Yes sir, startling as the proposition is, it means nothing less than to diminish business. It is an attempt of this government to thrust its strong arm into the private affairs of men.

Sir, what is credit? It is the great current which rushes through the heart of the great body politic and social, and imparts vigor and energy to the whole system. It is that which opens its resources and makes this new country, where capital is not abundant, flourish above and beyond all others.

It is the basis of the hopes of the young and the support on which the unfortunate lean. Sir, I had almost said it is the inheritance of our young men. Nine out of ten of them go forth in the world with nothing to pledge for the means of carrying on business but their character for fidelity and capacity. This is their great resource, this is their patrimony, this the pledge to be given for capital; and it is this class of men that have imparted to our country the ardor of youth, combined with the strength of manhood. Are they to be denied the benefit of credit? Is there to be no business except what is done by capitalists? Then will the rich grow richer, and the poor poorer. Then will the inheritance of most of us be poverty and obscurity through all ages to come. Then shall we have, not an ideal, but a practical aristocracy. When, till now, has it been deemed a just policy to discourage business? When have we appealed to executive power to diminish it? When did we learn that credit was harmful? When did we learn that gold was better than character?

Sir, what would be the effect of coming to specie alone in business? I have no time to enumerate the embarrassments and injuries which would necessarily result from it, but I cannot omit to say, that by dint of forced measures; by an unnatural course of business, it is computed we have eighty millions of coin in the country. But, sir, the amount due to the banks alone is about four hundred and seventy-five millions which have been loaned out for business. Now, to say nothing of other credits, business has been done of late upon this vast bank capital. Down then with

banks and what will be your condition? In the place of this vast sum you have the eighty millions of specie and no more. Business will be diminished in the ratio of eighty to four hundred and seventy-five, for business can only be proportionate to capital. The proposition to suppress bank credits was intended then to diminish business; the proposition to come to specie payments was intended not only to suppress overtrading, but nearly all trading, if it was really designed to be carried into effect. Sir, this is one of the most extraordinary propositions ever presented to the American people. What if there is overtrading? What if there is speculation? What if it does cause loss and derangement in business? How does that concern this government? Is it the business of the president or congress to make inquiry into my private affairs? Are my books and papers to be inspected? Am I to ask leave whether I may trade much or little? Whether I may sell my horse or my oxen? Whether I shall be permitted to give credit or must exact specie? Sir, those are matters belonging to private judgment. They lie among those rights and liberties belonging to the citizen which no people, while it values its freedom, should allow any one to invade. When we cease to be masters of our own property; to keep or part with it at pleasure, to sell or buy on credit or for cash, as we can agree, then, in my judgment we shall cease to have any rights or privileges worth preserving.

But, sir I know well, that I am to be told that we have no proposition before us to regulate the amount of business by law. No, sir, the very suggestion that congress holds, or by possibility, can exercise, such a power, shocks the mind.

But, sir, you propose what is more unjust, and therefore, more objectionable: you propose to diminish trade by denying to the people the necessary facilities for business, and thus you propose to visit your measure of correction upon the rash and the prudent alike, upon him who has speculated and him who has not, upon the guilty, if there are any, and the innocent; it is the bed of Procrustes.

Now, sir, if the remedy for overtrading is to be an executive bank, as I fear this bill portends, then I agree it will be effectual; the president will have much or little trading as he pleases; all trade will be under his control. Sir, what is he not able to do without this additional power? He has smitten down the bank of the United States. He has multiplied and exploded the State banks, by which he has deranged the currency. He has suspended trade. He has turned the laborer out of his employ. He has given us depreciated paper for gold and silver, or that which was equivalent to it. Such, and so disastrous has been his power over these matters when we supposed he had no authority whatever to interfere with the currency or the business of the country.

Now, sir, give him the legal custody of the currency, and you will see he will control the business of the country; his thumb will be upon a screw that will let it up and down at pleasure; and will not this be a fearful power, a power that will subdue the people to his will?

Sir, I cannot consider this outcry about gold and overtrading otherwise than as an attempt to array the people against their own institutions, to make them believe that they are themselves corrupt, and unsafe depositories of their own currency, and have better yield the management of it to the president and office holders under him. The people, I trust, will not be deluded by the fallacies of politicians, partizans, and office holders. The absurd apology of overtrading will, I doubt not, be made in vain, and the shout of federal banks will be made in vain. The people, sir, comprehend this matter, and they must and will resist this scheme of executive usurpation to the last and stop experimenting on this head if they mean to be free.

This policy has been characterised by an insidious course, irreconcilable with the doctrine now set up that state banks are to be preserved. If that were the real purpose, why excite popular indignation against them? Why hold them up as monopolies, as objects of disgust and abhorrence, sending forth nothing but their filthy rags? Was this the way to reform abuses or to improve a defective system? Do you cut down a tree that sends out wild sprouts or prune it? Would you abolish courts because you have a corrupt judge? Would you abandon the defences of the country because you have a traitor in the army? Would you banish fire because you have

been burnt? or light because its effulgence may blind you? What is necessary or useful to us is not to be destroyed but made more perfect. If you really aimed at a better condition of banking, the doctrine first to destroy was a singular mode of improving them.

But, sir, I will suppose for a moment that you meditated seriously to banish all circulation except metal, and, then, I ask the people whether there is any thing in the condition of those who live under hard money governments which they can covet?

Spain, Italy, Egypt, Arabia, are hard money countries, and there, squalid poverty in its most disgusting form infests the land; there are hords of beggars; there is little business; there are ignorance, degradation and despotism. These are the associates of that limited enterprize which rests its action upon a metallic currency alone. Every thing is down hill. Now, sir, turn your eyes upon countries where a system of liberal credits exists, such as grow out of a well regulated trade and commerce. There you will see activity, enterprise, prosperity, enlarged comfort and happiness, elevated character and national greatness. Our own success is an illustrious example of the impulse given to all the elements of popular prosperity, by a liberal and enlightened use of the facilities of commerce. Sir, you might as well expect the earth to send forth vegetation without rain, as that a people can be great and prosperous without credit. The last desire we can have is to adopt the policy of hard money countries. The last thing the people of this country can covet, is the condition of those subjected to this policy. The whole system is uncongenial to a free people; it is anti-republican, despotic, unsuited in every way to our thoughts, habits, character and condition.

But, sir, having spoken of the general policy of the administration and its effects, I now come to the bill before us, upon which not much remains to be said.

The first inquiry is, does it sustain the policy which I have attempted to prove has been pursued? If the administration were really aiming at an improved currency, some attempt would be made to remedy the evils now pressing upon the country.

Yet this bill proposes nothing for the people, but all for the government. Its advocates openly avow that the people must redeem themselves. This is not, they think, the business of the government, but its appropriate duty is to take care of itself and leave the people to take care of themselves. If this be so, and we the people have no interest here except the privilege of being taxed, then the sooner a complete and final divorce takes place the better. What is the government for, if it is not for the people?

Sir, the president was early in these difficulties entreated to assemble congress, to devise relief from threatening embarrassments, but he refused to do it, and clung to his treasury order as a sinking man grasps the wreck. But when the strength of the tempest came it was more violent than he was prepared for, and he then issued his proclamation. The public supposed he had become better informed and had relented. They doubted not that the summons was on their account. What then was the general consternation when the people were informed that they had no interest in the extra session; that congress was not to legislate for them but for the office holders; that money was wanted, and this was one of the chief ends of the session; and why was this? I fear, sir, that the design was to leave the people to grapple with embarrassments, that they might be worried by losses and inconvenience into an acquiescence in the policy of an executive bank. But, sir, if such was the object, it has failed; they are yet refractory and contumacious. They have yet respect for themselves, and attachment to public liberty. They are not ready to take the bits in the mouth and tamely receive the usurers on their backs.

But, sir, what is this measure? The currency is admitted to be greatly deranged, and to cause the difficulties under which we labor. Is this a bill respecting currency? and especially does it provide for public alleviation? In my opinion, it is a bill to increase executive power and influence, a bill to break down the institutions created and managed by the authority of the people, to give place to an executive bank. What is currency? It is the standard by which property is valued; if therefore, it

fluctuates, the value of property is necessarily made uncertain. It should be not only unalterable, but uniform throughout the country. The hazards attending a fluctuating currency are so great that all business is checked by it and prosperity necessarily greatly impaired. If I buy goods by the standard of to-day on credit, and before the day of payment arrives, a change in that standard takes place, either I or my creditor must suffer injustice according as the standard rises or falls. It is, therefore, one of the plainest principles of sound policy to have a steady and uniform currency.

The currency is not uniform. The circulation in Baltimore is not current in New York; that at Pittsburg is at a discount in Boston. Remittances cannot be made without loss and business is obstructed. Does the bill propose any remedy for this? None whatever, unless a treasury bank is considered a remedy.

It is represented by the authors of it as simply providing for the government, while it is designed wholly to neglect the people.

It varies considerably from the bill of September, as that exacted the revenue wholly in specie, and this only in part for a time, after the expiration of which, the whole.

The bill before us has many provisions, embracing twenty-nine elaborated sections full of details. It provides for a treasury, and for a multitude of sub-treasuries; for receivers general, visitors, clerks, &c. &c. &c., but this is all to keep and disburse the revenue. It has also many provisions about the duties of these officers, requiring them to be very honest and very faithful.

But, sir, what is its fundamental principle? It is a complete and perfect union of the executive and the fiscal powers of the government. It consolidates them into one mass and places the whole in the hands and at the disposition of the president. Who can deny this? I know it creates a multitude of officers, that it imposes on them a thousand guards, checks, counter-checks and penalties. But all from the secretary of the treasury to the drayman that carts the specie, are appointed by or under the influence of the president, and all removable from office at his pleasure; all creatures of his breath; all subservient to his will; all his humble, pliant servants; who think as he thinks; look as he looks; reason as he reasons. They are the merest wax in his hands, moulded to suit his taste and interests. We have seen the fate of that temerity which dared to think there was a law of the United States which the secretary of the treasury was bound to obey; a law above executive will. That stubborn secretary who dared to think he had no right to remove the deposits, was himself removed from office, to teach him and others that the will of the president is paramount to law in the Departments, and that there is danger in having opinions of one's own. These provisions are therefore, nothing; they only make the servants of the president spin upon one another. They do not reach the fountain of power, the president; and he at any moment will sweep it away as easily as he would a cobweb. So far as regards him, this voluminous bill might as well be in one line as in twenty-nine sections. It might as well be the president is hereby authorized to collect and disburse the revenues of the United States at his pleasure, for not only the treasury but custom house officers are his bond-men.

Now, Mr. President, what is this fiscal power which the president is so eager to get into his control? In my statements I shall lay no claim to precision, but the sum will not greatly vary from the truth. The duties arising from imports, may be estimated at about twenty millions of dollars. The revenue from the sale of public land in 1835, was about fourteen millions; in 1836 twenty-four millions; in 1837 about seven millions; 1836 was a year of extraordinary activity in business; 1837 was one of uncommon depression. The average, therefore, for some time to come will probably range from ten to fifteen millions; the post office may be placed at three millions making an aggregate of from thirty to thirty-five millions of dollars annually. This is the income to conduct business upon, and a pretty handsome capital it is to receive and disburse; destined moreover to increase as the population, business, and wants of the country increase. This is to be placed in the pocket of the president, for the treasury and all the sub-treasuries are as much his pockets as any one sewed into his breeches.

What uses may be made of this money? The people may appreciate the accession of power and the means of doing mischief with this money, by calling to mind what has been imputed to the Bank of the United States by the administration and its friends. That institution was a naked corporation with thirty-five millions of capital, and this capital gave it all the power it had, be it what it might. Now, sir, have not we been taught to look upon it with horror; as a monster contending for the mastery of political power with this government itself? It has again and again been said on this floor, that the question was, whether the bank should be demolished or rule the country. What have we not heard of its corrupting influence? Its demoralizing tendency? Its pestilential atmosphere? Sir, the republic itself has been represented as sinking under its weight and the people as poisoned with its influence. The senator from North Carolina (Mr. Brown) spent much of his argument the other day upon this topic of bank influence. He labored to satisfy us that the question still is whether the banks shall rule the country, or the government shall rule it. He urged us to believe that a great struggle for that power was now going on. The president himself, in his late message, plainly imputes the change of political character in New York to the banks, though they were mostly children of his own, and in the hands of his friends. Now, sir, if the monied power is to be estimated by such authority as this; if we may be allowed to use the arguments coming from the lips of those who intend to vote for this bill, then beyond all question this is one of the most frightful, dangerous powers, ever entrusted to human hands. If standing alone, it was to be feared as the most alarming of evils, what may we not apprehend from it when united to the official station, patronage, and the vast power of the president? I am bound in candor to declare, that while I acknowledge existing abuses among state banks, I have felt no apprehension of their overturning this government, none whatever, and that the people feel none, is rendered plain by their maintaining them as state institutions; but, while I say this, I am also free to acknowledge that a bank of the United States has almost necessarily both power and influence which it may greatly misuse and abuse. It may be, even with a guarded charter, a pernicious institution, if used as an instrument for party purposes. It might be prostituted as the press is, but still the revenue must be collected and disbursed, and if the question is, whether the executive or a bank shall do it, I should have no hesitation in my choice. The executive now holds a power that has come near to subverting the liberties of the country. The president has not been content with the duties assigned to him by the constitution, but has seized the public money, and undertaken to regulate the currency by his own power, and that power has proved so fatally strong as to overwhelm the country with the present calamities. Now, sir, add to it this potent ally, and we shall have a master stronger than the people; one that will effectually set them and the constitution at defiance. While my earnest desire, therefore, is to place the revenues beyond executive control, I am not anxious about the manner, if it shall be consistent with public interest. I admit, sir, that this bill does not shadow forth a bank in its details, but whoever examines it will see the seminal principles of such an institution. The desire of the executive in this respect is clear; his policy and opinions leave no doubt on this head; a presidential bank is his aim. Now, sir, is not such a bank disguised under the verbiage and multitudinous provisions of this bill? Discount and deposit is not the only mode by which banking is carried on. The end of a government bank is not to make money, but to increase executive power by obtaining control of the exchanges, and through them, the business of the country, that the people may feel they must owe every thing to the president. This may be done by selling paper alone and throwing it into circulation. Let us see whether there are provisions in this bill to accomplish this. The tenth section gives to the secretary unlimited discretion to transfer money from any one point to another, but prescribes no mode by which it shall be done. It will, therefore, be done without any doubt, by such government paper as he sees fit to issue, and throw into the market, as the section will be understood to confer that power. And, sir, on looking at the close of the twenty-third section, we shall find distinct evidence that paper is to be used. That

section provides for the payment of the revenue for a time, partly in specie and partly in paper, but eventually wholly in specie; excepting such notes, bills, or paper, as may be issued under the authority (not of congress) but the United States. Now, sir, putting this and that together, men as ingenious and power loving as the president and his secretary, will find no difficulty for the lack of authority, to issue just such paper as they see fit. They are not limited to notes or bills, but by paper only. The authority is as broad as it can well be, and the secretary will find occasions to make transfers just when and so often as he thinks expedient to issue paper. It will be a million here, two millions there, and so on, to try the experiment, and if the thing works kindly, if, in the absence of other paper, this shall be sought after, as it will from necessity, then will this institution unfold itself; then will it become the mammoth brokers office; the focus of exchange; and money will go up and down with the will of the president; business will expand and contract at his nod, and this will exalt him to a control over the affairs of men that the autocrat of the Russias may envy. Sir, I must be pardoned if I feel both sensitive and jealous on this head. I have long seen this fatal policy urged. I have seen such ardent aspirations after this monied ally that I observe with distrust every movement which indicates the purpose of making such a dangerous use of the revenues. I know too well how artful schemes in the hands of politic men glide along in disguise, till they become matured and strong. I would therefore, meet this matter at the threshold, and thrust it from our counsels as unworthy of a free people.

Sir, this union of executive and fiscal power, is an invasion of public liberty in its strong hold. It is a principle as old as the British constitution, that the sword and the purse must be separated. The king holds the sword but the people the purse. The people of England, monarchists as they are, hold this to be one of the very intrenchments round public liberty. The king holds all executive power, but has no means of sustaining it but from the funds and revenues voted, raised and appropriated by the people through their representatives. It has always been the great check the people hold upon the king. He must look to them for the means of sustaining and supporting himself and those under his control; what more just? These means are drawn from the people.

Sir, I have attempted, feebly I know, to develop the present power of the president, to show that he can now derange all our finances, currency and business; that he now rides over us rough shod; but this is scarcely a foretaste of what will come if this overwhelming accession is made. He will then be irresistible. He is the head of the army, the navy, the post office, collectors, and disbursers of the public revenue, land office, contractors, &c.; &c. a host innumerable, to be fed and paid out of the public chest; all of them to a man created and removable at the will or through the influence of the president. He is the breath, the soul itself, of nearly all the civil officers. What, sir, have we not to fear from such a power as this, with the revenues in his hand? Give to the president all the physical force of the army and navy; all this host of office holders, and the complete power to collect and disburse the revenue, and you make him independent. You have no check upon him, no control over him. He will have no occasion to ask you for any thing. What hope can we have after this of moderation, of a just administration of the laws, of a respect for the constitution, of a regard for the rights and liberties of the people? None whatever. The will of the president will pervade all your counsels, the question will not be what does the public interest require; what ought to be done for the public? But what will be gratifying to the president.

Give him this banking power and I hesitate not to declare that he is thenceforward master of the business of the country. It will be under his control and subject to his caprice, and thus may the people be bowed down to the earth and compelled to make brick without straw.

Sir, who can stand before this colossus? If the people are crushed by the proposition for this union, what will not the complete junction and organization accomplish? What have the people to oppose to it? What to array against it? Nothing but pa-

triotism and the love of liberty, which they have inherited from their fathers ; and can the issue of such a contest be doubtful? Those who force this measure upon the people will prove too strong for them ; from the unqualified control of the revenue will come the power to exact whatever is desired, and there will be the end of free government.

Sir, this measure should find no favor with the people. The constitution never contemplated that the president should control the revenues. So jealous were the framers on this point, that they denied to the senate the power to originate a money bill, not even allowing this body to express an opinion till the popular branch has acted. Beware then, of these insidious approaches, of these disguises of selfishness, of the cry of no bank. If there is to be no bank, why authorize the issuing of paper at all? It is wholly unnecessary to the operations of government. The duty on tea was small, too small said the British to contend about, but beneath it lay a false and dangerous principle ; an unjustified assertion of power, a principle capable of vast expansion, and our fathers were too sagacious to be taken in the snare so craftily set. Let the people beware of this measure. Let the patriotic stand together shoulder to shoulder and resist the enroachments of usurpers.

Sir, it is impossible, in an argument here, to do more than glance at this absorbing subject. I have occupied more time than I intended, and yet have left many important things having, perhaps, a more important bearing than some of those upon which I have touched, wholly unnoticed. I cannot, however, pass over without adverting briefly to the declarations of the senators from North and South Carolina, Messrs. Brown and Calhoun. They concur in the opinion that this measure will be useful to the planting or slave interest. The latter gentleman assigns as a reason, that cotton is sold in a hard money market and the proceeds laid out in a market inflated with paper. By which, I suppose, he means Great Britain and this country. Does the senator really mean to assert, (speaking of these markets as they have been, not as they are, since our currency has been so improved that we have no specie,) that an ounce of silver, or any other quantity, has been worth, or is worth more in England than it is here? If he does, I should be glad to see the proof of that proposition, for it seems to me there can be no doubt that our paper has been as good as silver and gold, and our silver and gold have been as valuable as those metals are in England. I have not been aware of any difference. But if the senator has reflected a moment on the course of trade, he will perceive his error. In the first place the planters, instead of selling in the foreign markets, usually sell here; and if our market is one of inflated paper, they sell and buy under the stimulus of inflation. But, sir, there is no mystery in this trade. Those who buy here are regulated wholly by the English market, for that is the great controlling point, and give just what can be afforded, and leave a fair compensation for freight, insurance, and interest. Now, sir, if the senator has ever known or heard of an instance of allowance being made for a difference in the value of silver and gold, because our money is depreciated by paper inflation, I will thank him to inform the senate of it. I think I hazard nothing in saying that practical men know no such difference, and, in business, make no allowance for it. The consequence is not what the senator asserts, that gold and silver are depreciated by excess of paper here alone, but our excess, if it produces any effect, causes equal depreciation in England and elsewhere. I might proceed and shew, from the exchanges, that there is no foundation for his supposition, but if I am right in my view of the trade, this is proof enough.

If, therefore, the supposed advantage rests on that argument, it must be ideal. The other gentleman gives no distinct reason for his belief, but I trust both will revise these opinions before they act upon this theory. I am the more earnest they should do it, because they must know how injurious this measure is believed to be by the residue of the country.

They must know that trade and commerce cannot be carried on without the ordinary facilities. They cannot be ignorant of the present state of things. They must see in it the disastrous effect of the denial of the usual means. Why, then,

force this oppressive, injurious measure upon us? Are they willing to try new and blighting experiments, because it is possible they may operate less fatally upon the planting interest than the rest of the country?

But, sir, the senator from South Carolina calls it a states-right measure, or a measure, as I suppose, wholly southern and sectional in its character, and, therefore, it ought to be supported by the south. If it be the purpose of the senator to plant his little torn banner, of which he has spoken, on the ruins of the other interests of the country, I hope and believe his followers will not be numerous.

Can there be any possible advantage in cherishing one interest at the sacrifice of the others? Can it strengthen or harmonize the union to pursue a sectional policy which, while it may by possibility be acceptable, and even beneficial to one section, produces discontent and injury to others?

Sir, this policy which the senators think useful to the planting interest, but in which opinion I have no confidence, denies to us a circulation adapted to the business we follow. It puts the banking power in the hands of the president, who is, I know, devoted to the planting interest, as the senator from North Carolina has asserted; but let him, and all others who aim at such advantages, remember that this interest, great and powerful, and influential as it is, may lose its preponderance, if it become thus selfish. The senators, I am aware, claim to be strict constitutionalists, clinging to the letter and repudiating, often times, what seems to be necessary inferences from language. They deny the right to make internal improvements; the right to protect manufactures; and the power to give us a currency which will subserve the purposes of business. They oppose discriminations in trade in our favor and, as it appears to me, whatever seems to favor the agricultural, commercial, manufacturing, mechanical, and trading classes, and to give to them such scope as will invigorate and render them prosperous. I hope it is not from sectional feeling, antipathies, or selfishness that our rights and privileges are thus narrowed down, and the constitution made of little value to us.

I must be permitted to observe that the senator from South Carolina has, on many occasions, taken broader views of constitutional duty and public policy—even he, I find, can raise powers by implication.

When his resolutions were lately under discussion in the senate, he contended that slavery in this district could not be abolished, not because there was or is any provision in the deeds of cession inhibiting such a measure, for they are silent, but on the ground of an implied faith. He contends that it is fair, from the character of the subject, to presume that such must have been the understanding, and the hands of the United States are, therefore, as much tied by plighted faith as if bound by an express covenant. The senator, therefore, has no scruple, when we touch this interest, raising the highest and most imperative obligations, by implication and construction. Again, I would take leave to remind him that a year has scarcely gone round since he declared here that he hoped, before congress adjourned, a foreign state would be annexed to and admitted into the union of these states. I hope he will not consider this reminiscence unkind; and I would ask him whether he can find any authority express, implied, or constructive in the constitution for such a step? Nothing could have been more foreign to all the thoughts, motives, conceptions, and intentions of the framers, than the idea of making new states out of Mexico. It might as well be argued that they anticipated the annexation of Ireland. These are stretches of power, by implication and construction, such as we of the other section of the country on no occasion dare to contend for. We, for the great purpose of giving effect to the design of the constitution, contend that where there is a general power granted congress have the functions necessary to execute that power, nothing more. We assert no right beyond this; but here we find the senator going for power which neither directly granted, nor can it be derived or implied from any thing contained in the instrument.

Does the senator mean to give one rule of construction for our interests and another for his? Is the instrument to be forced to its narrowest limits in its application

agriculture, trade, commerce, navigation, manufactures, and the operations of labor generally pertaining to these great interests? Are we to be denied even a currency for want of powers, while empires may be added to our geographical limits without shadow of authority.

Sir, let me entreat the senator and his friends not to drive us to the conclusion that his state-rights doctrines are hostile to all interests but that of planting; that a most latitudinous construction belongs to one end of the country and its particular interests, while they stick in the bark in giving construction which affects the other interests! If his flag has achieved all the laurels he claims, has he not had enough of victory? He says he has triumphed over our industry, and his co-laborer, Mr. Brown, in his remarks the other day congratulated the country on the prospect, under the present policy, of banishing every manufactory from the country.

I hope, Mr. President, in their zeal for reform of the constitution and the business of the country they will not utterly rob us of a currency for the people. Sir, we have an inexpressible reluctance to go to an executive bank for paper. We have always looked with distrust upon power, and preferred claiming rights to supplication, and can never consent to be ruled by executive discretion. We shall make poor beggars, and therefore hoped to be spared the humiliation of being dependent on the president's favor for a business that will give us bread. Save us, then, from a bank around which, as a great central power, all business must either revolve or not move at all.

I hope the senator will do it for his own sake as well as ours. The planting interest, though banded as it is like a roman legion together, may not, if it pursues a selfish and oppressive policy, be always able to guide the destiny of the country. The tables may be turned upon it, and it may have ample time, under acts of retaliation provoked by such injustice, to repent of its folly.

Let us then adopt no such dangerous measures, try no such disastrous experiments. Let not the hopes of sectional advantage delude any one, for they will sow the seeds of bitterness and discontent; but let us march forward with the high, patriotic, enlightened spirit of freemen, firmly cementing, by a joint policy, the union together and carrying the constitution onward to the fulfilment of its great destiny.

